

**IN THE UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF OHIO**

UNITED STATES OF AMERICA, )  
                                )  
Plaintiff,                 )  
                                )  
v.                            ) Civil No. 1 : 13 - cv - 00214 - DAP  
                                )  
MICHAEL EHRMANN and     )  
JEFFERSON & LEE APPRAISALS, INC.,     )  
                                )  
Defendants.                 )

**AGREED ORDER OF PERMANENT INJUNCTION**

The United States has filed a Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”) under 26 U.S.C. (“I.R.C.”) §§ 7402(a) and 7408 against Defendants Michael Ehrmann and Jefferson & Lee Appraisals, Inc. (“Defendants”). Defendants admit that this Court has jurisdiction over them, that venue is proper in this Court, and that this Court has subject matter jurisdiction over this action. Defendants deny certain other allegations in the Complaint, as set forth in their Answer. Without admitting that there are grounds for an injunction, Defendants waive the entry of findings of fact and conclusions of law under Fed. R. Civ. P. 52 and 65. The United States and Defendants have agreed to this Agreed Order of Permanent Injunction (“Order”) pursuant to §§ 7402(a) and 7408, and Defendants voluntarily consent to be bound by its terms and to its entry without further notice. The parties understand that this Order constitutes the final judgment in this matter, waive the right to appeal from this judgment, and agree to bear their respective costs, including any attorneys’ fees or other expenses of this matter.

The parties agree that entry of this Order resolves only this civil injunction action, and neither precludes the government from pursuing any other current or future civil or criminal matters or proceedings against the Defendants, nor precludes Defendants from contesting their liability in any such matter or proceeding. Further, Defendants may defend any appraisal report they have prepared prior to January 30, 2013, in administrative proceedings before the Internal Revenue Service or in litigation.

Defendants further understand and agree that the Court has jurisdiction over this matter for the purposes of implementing and enforcing this Order, and understand that if they violate its terms, they may be found in civil or criminal contempt of court, or both.

Accordingly, the Court hereby **FINDS, ORDERS, and DECREES:**

1. The Court has jurisdiction over this action under 28 U.S.C. §§ 1340 and 1345 and I.R.C. § 7402(a).
2. Defendants have voluntarily consented to the entry of this injunction and agree to be bound by its terms.
3. Pursuant to §§ 7402(a) and 7408, Defendants and their representatives, agents, servants, employees, attorneys, independent contractors, and anyone in active concert or participation with them, are enjoined from, directly or indirectly:
  - a. preparing any kind of appraisal report, providing appraisals, or otherwise participating in the appraisal process for any property relating to federal taxes;
  - b. providing a referral to any other property appraiser for any purpose relating to federal taxes;

- c. providing expert testimony or expert support in any case in which Defendants did not prepare the appraisal report valuing the donated conservation easement, except that Defendants may continue their ongoing engagements for expert services in the cases in which they are already retained: *Scheidelman v. Comm'r*, Tax Court Docket No. 15171-08; *Logan Chandler v. Comm'r*, Tax Court Docket No. 16534-08; and a third case, known to the Department of Justice, that is in the administrative process before the Internal Revenue Service.
- d. engaging in any conduct subject to penalty under § 6701, e.g., by aiding, assisting in, procuring, or advising with respect to the preparation of any portion of a return, affidavit, claim or other document, when Defendants know or have reason to know that portion will be used in connection with a material matter arising under the federal tax law, and Defendants know that the relevant portion will, if used, result in the understatement of the federal tax liability of another person; and
- e. engaging in any conduct that interferes with the administration and enforcement of the internal revenue laws.

4. Defendants are ordered, pursuant to § 7402, to:

- a. notify the Appraisal Institute's Senior Manager, Ethics and Standards, and the licensing office in any state in which they are licensed to appraise real estate, of this Order and provide each entity with a copy of the Order;
- b. provide a copy of this Order to all former and current clients who retained

Defendants since January 1, 2007, to appraise property for any federal tax purpose; and

- c. provide to counsel for the United States a list of clients (including each client's address, phone number, e-mail address, and federal tax identification number) for whom they have prepared appraisal reports for tax purposes on or since November 1, 2009.

With the exception of subparagraph 4.c., Defendants shall complete these tasks and shall file with the Court, within 30 days of the date of this Order, a certification signed under penalty of perjury that they have done so. Defendants shall complete the tasks required in subparagraph 4.c. and shall file with the Court, within 45 days of the date of this Order, a certification signed under penalty of perjury that they have done so or explaining the reasons that compliance was not possible in spite of Defendants' reasonable efforts;

5. The United States may engage in post-judgment discovery to ensure compliance with this Order, using the procedures described in the Federal Rules of Civil Procedure, the Local Rules of this Court, or as otherwise permitted by this Court; and

6. This Court will retain jurisdiction over this action for purposes of implementing and enforcing this Order.

Consented and Agreed to:

Dated: January 29, 2013

Michael Ehrmann  
Michael Ehrmann  
5638 Northumberland St.  
Pittsburgh, PA 15217  
*for himself and for Jefferson & Lee  
Appraisals, Inc. as its duly authorized officer*

Dated: 1/30/2013

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Dated: 1/29/13

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*Attorneys for Defendants Michael Ehrmann  
and Jefferson & Lee Appraisals, Inc.*

SO ORDERED this 12th day of February, 2013.

/s/ Dan Aaron Polster  
United States District Judge